

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

September 19, 2000

CERTIFIED RETURN RECEIPT Z 230 748 244

Lon Thomas Star Stone Quarries, Inc 4040 South 300 West Salt Lake City, Utah 84107

Re: Response to Conditional Notice of Tentative Approval to Commence Large Mining Operations, Star Stone Quarries, Inc., Cotton Thomas Quarry, M/003/024, Box Elder County, Utah

Dear Mr. Thomas:

The Division has reviewed your August 16, 2000 letter (received August 31, 2000) provided in response to our August 8, 2000, Conditional Notice of Tentative Approval for the Cotton Thomas Quarry. In your letter, you accepted conditions 1, 3, and 4; and provided additional materials relating to conditions 2, 5, and 6. The later 3 conditions relate to: roads that will require reclamation at the end of mining operations, the acreage associated with these roads, and the projected amount of reclamation surety that will be required to reclaim these roads.

In your letter, you refer to the Division's October 8, 1997 letter, which identifies certain roads that we approved to remain for post-mining land use. A map was attached to this letter along with a statement for us to refer to the original map for better clarity of detail. We located the original map and found that it does not include the road segment from the Buckskin pit to the West Granite pit as shown on the map submitted with your August 16, 2000 response. The Division's assessment of the roads for the Cotton Thomas Quarry as described in the August 8, 2000, Conditional Notice of Tentative Approval appears to correctly identify the roads that were previously exempted from reclamation requirements.

The Division will not consider releasing additional roads from reclamation responsibility at this time. We do not concur with the justification provided to not reclaim the additional roads in question. Upon mine closure and final reclamation of the affected areas, we may reconsider a request to leave roads that have a demonstrated post mining land use need. If

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new roads are requested to be exempted from reclamation, that currently parallel existing roads that have been exempted from reclamation, a condition of approval to exempt the new road from reclamation could require reclamation of the previously exempted road.

In summary, the Division's position with regarding Conditions #2, 5 and 6 has not changed. The original conditions of the Division's August 8, 2000, Conditional Notice of Tentative Approval (copy enclosed) must be met. *Please acknowledge acceptance of these conditions in writing within 7 days of receipt of this letter.* We will suspend publishing the formal public notice of tentative approval until we receive your acceptance of the outstanding tentative approval conditions.

You will need to provide the necessary reclamation surety (\$93,000 - year 2001 dollars) and Reclamation Contract (Form MR-RC) as directed in the August 8, 2000 Conditional Notice of Tentative Approval. Please note, the reclamation surety and Reclamation Contract must be received no later than the end of the 30 - day public notice comment period.

If you have any questions, please contact me, or Lynn Kunzler at (801) 538-5286 or 538-5310, respectively. Thank you for your cooperation and patience in completing the permitting process for this project.

Sincerely,

D. Wayne Hedberg Permit Supervisor

Minerals Regulatory Program

D. Wayne Fedberg

jb

cc:

Enclosures: August 8, 2000 Conditional Notice of Tentative Approval

Reclamation Contract (Form MR-RC)

Mike Ford, BLM

Pam Grubaugh-Littig, DOGM

Lynn Kunzler, DOGM

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Michael O. Leavitt Governor Kathleen Clarke Executive Director Lowell P. Braxton

Division Director

State of Utah DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

August 8, 2000

CERTIFIED RETURN RECEIPT Z 230 748 230

Lon Thomas Star Stone Quarries, Inc. 4040 South 300 West Salt Lake City, Utah 84107

Re: Conditional Notice of Tentative Approval to Commence Large Mining Operations, Star Stone Ouarries, Inc., Cotton Thomas Quarry, M/003/624, Box Elder County, Utah

Dear Mr. Thomas:

The Division has completed a review of your latest response, received July 20, 2000, to our March 31, 2000 deficiency review letter. After reviewing this latest information, the Division hereby grants its conditional tentative approval of the Cotton Thomas Quarry large mining permit application. Upon your notification of acceptance of the following conditions, we will prepare and publish a formal notice of tentative approval in the appropriate Salt Lake City and Box Elder County newspapers. This will begin the required 30-day public comment period. If no substantive comments are received during the public comment period, the Division will then be prepared to issue its final approval for this project.

Prior to issuing final approval, a Reclamation Contract (Form MR-RC) must be completed and filed with this office. It must be attached to the reclamation surety for this project. The new reclamation surety amount is calculated at \$105,200 (year 2005 dollars). Please let us know which type of surety you propose to post so we can provide you with the appropriate form. Please provide us with a "draft" copy of the completed reclamation contract and surety form before they are finalized so we can review them for completeness and accuracy.

In issuing this tentative approval notice, the following conditions and comments will apply:

1. The NOI refers to a proposed access road to the north of the operations area of 4.7 miles in length (Map 4.1). Since the operator has yet to secure the necessary right-of-way, this will need to be amended to the plan at a later date. This proposed access route is *not* included as part of this approval. (LK)

Page 2 Lon Thomas M/003/024 August 8, 2000 The Division's review of the permit shows 66.32 acres to be developed (affected) by this 2. permit. Reclamation will be required on 55.6 acres and variances from reclamation will be approved for 10.72 acres (see road variance discussion). (DJ & LK) A variance was requested from Rule R647-4-107.5 - Topsoil Salvage. Map #4 shows quarry 3. areas from which the operator feels topsoil can be salvaged (three inch depth). In addition, a proposed borrow area at the camp site (one foot depth) will provide sufficient topsoil material to cover quarry and dump areas at a depth of two inches. This, coupled with a soil amendment of 10 ton per acre of composted manure over the regraded 'fines' is expected to provide an adequate seedbed for successful revegetation. This variance is approved for quarry areas identified on Map #4 where topsoil is not planned for salvage. A variance was requested from Rule R647-4-111.7 - Highwall reduction. This variance was 4. previously approved to leave a 12-foot highwall at the Autumn Gold Quarry. (LK) A variance was requested from Rule R647-4-111.8 - Reclamation of all roads. The operator 5. has requested that several roads remain for post mining land use in conjunction with his ranching operation for the area. In reviewing this request, the Division considered reasonable access to the property in evaluating each road segment requested. This has resulted in three segments being acceptable for the post mining land use. The requested variance to leave the roads from the camp to the Autumn Gold quarry, from the Autumn Gold quarry to the Buckskin quarry, and from the Buckskin Quarry to the camp is approved. The requested variance to leave the roads to the Windridge Rubble quarry and the proposed extension to Mahogany Creek; the road from the Klondike Gold to the Star Quarry; the road between the camp and the Antique White quarry; the road connecting the Autumn Gold, Klondike Gold, and Aspen Frost quarries; and the roads from the Buckskin Quarry to the North, East, West and South Granite quarries is not approved. (LK) The variance section continues to request variances for additional road segments without providing adequate justification for approval. Also, it contains requests for variances for potential roads that may be built in the future. The Division cannot consider variance requests for conceptual disturbance until a plan is submitted that provides the requisite detail for approval of the disturbances. When the Division approved the variances for the roads (from the camp, to the Autumn Gold, to the Buckskin, and returning to the camp), this was considered adequate access for the proposed post-mining land use of the property. Please note, if additional roads are approved and constructed, the Division will consider requiring reclamation of roads that currently have an approved variance before a variance may be granted to not reclaim the new roads. (The Division must look at the need of the road to approve the variance. A statement from the landowner requesting the road be left does not constitute a need. Several parallel roads from point 'a' to point 'b' are not likely to be approved.) (LK)

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7. <u>R647-4-113 - Surety</u>

In recent discussions and correspondence with the operator, a request has been made to reduce the amount of reclamation surety that would need to be posted initially. The operator proposes to post a Certificate of Deposit (CD) as the form of reclamation surety. The CD would be calculated in current year dollars, with all interest to be added back onto the account balance. The annual accrued interest is intended to cover the standard 5-year escalation rate that the Division normally applies (up front) to the reclamation cost estimate. After considering this proposal the Division will accept the following:

A \$93,000 Certificate of Deposit (in year 2001 dollars), which includes the 1st year escalation amount, using a 3.13% escalation factor.

The CD will be set up so that all accrued interest is added back onto the account balance of the CD until the full \$105,200 five-year escalation amount, plus one term of interest, is achieved. Upon the CD's annual maturity/renewal date, the operator will be required to add supplemental funds, if necessary, so that the full escalated dollar amount for that year is covered (e.g., end of the first year, CD must be \$95,900; end of the second year, \$98,900; end of the third year, \$102,000; and end of the forth year, \$105,200). A copy of the reclamation cost estimate is attached.

If you have any questions or concerns regarding this conditional tentative approval notice, please contact me, Lynn Kunzler, or Joelle Burns within 5 days of your receipt of this notice. We can be reached at (801) 538-5286, 538-5310, or 538-5291, respectively. We will suspend making arrangements to publish the formal tentative approval public notice until we receive your notification of acceptance of this conditional tentative approval. Please note, if you fail to acknowledge acceptance of this notice by August 16, 2000, we will assume you agree with the conditions and will accordingly proceed to publish the formal notice of tentative approval. Thank you for your cooperation and patience in completing the permitting process for this project.

Sincerely,

D. Wayne Hedberg Permit Supervisor

Minerals Regulatory Program

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Attachment: Surety Estimate

cc: Mike Ford, BLM

Pam Grubaugh-Littig, DOGM Lynn Kunzler, DOGM

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RECLAMATION SURETY ESTIMATE STAR STONE QUARRIES, INC last revis 7-Aug-2000 2 **Cotton Thomas Operations** filename m03-24.wb3 page "summary" 3 **Box Elder County** M/003/024 4 Prepared by Utah State Division of Oil, Gas & Mining 5 THIS PAGE SUMMARIZES THE COSTS FROM THE INDIVIDUAL QUARRY ESTIMATE PAGES 6 Reclamation of surface rock removal areas will include ripping & broadcast seeding. 7 Other disturbed areas will receive a minimum 2 inches of topsoil, 10 ton/acre composted manure, & seed. 8 Areas which are granted a variance from reclamation requirements are listed below. 9 Other types of variances are described on individual site calculation pages. 10 -Amount of disturbed area which will receive reclamation treatments = 55.6 acres 11 66.3 acres -Estimated total disturbed area for this mine = 12 individual reclamation acreage 13 disturbed to be site variance MINE SITE OR FEATURE 14 reclaimed estimates acreage acreage 15 \$5,478 5.00 0.00 5.00 ASPEN FROST QUARRY 16 17 0.00 2.96 \$5,587 2.96 KLONDIKE GOLD QUARRY 18 19 16.78 \$22,726 16.78 0.00 AUTUMN GOLD QUARRY 20 21 3.91 0.00 3.91 \$7,379 **BUCKSKIN QUARRY** 22 23 0.00 6.51 \$7,693 6.51 N, W, S, & EAST GRANITE QUARRIES 24 25 0.00 4.79 \$7,494 ANTIQUE W., LITTLE H. & WINDRIDGE R. 4 79 26 27 \$14.295 24.71 9.06 15.65 TOTAL ACCESS ROADS 28 29 1.66 1.66 0.00 \$0 CAMP AREA 30 31 ACREAGE TOTALS 66.32 10.72 55.60 32 33 \$70,653 SUBTOTAL RECLAMATION COSTS 34 35 \$/unit note quantity unit 36 5,000 (05)1.000 5 equip Equipment mobilization 37 dozer, FE loader, trackhoe, truck, fuel/lube truck 38 372 6.324 (7)17 days Reclamation Supervision 39 81,977 Subtotal 40 8,198 10% Contingency 41 \$90,174 Subtotal 42 Rounded Surety Amount escalation subtotals 43 \$92,997 \$93,000 (2001 dollars) \$2,822 Escalate for 1 year at 3.13% per yr 44 \$95,900 (2002 dollars) \$5.733 \$95.908 Escalate for 2 year at 3.13% per yr 45

\$8,735

\$11,831

\$15,024

Escalate for 3 year at 3.13% per yr

Escalate for 4 year at 3.13% per yr

Escalate for 5 year at 3.13% per yr

Means 1999, 010-036-0180, project manager, minimum \$1,860/wk

DOGM general estimate - equipment mobilization

46

(5)

note

\$98,909

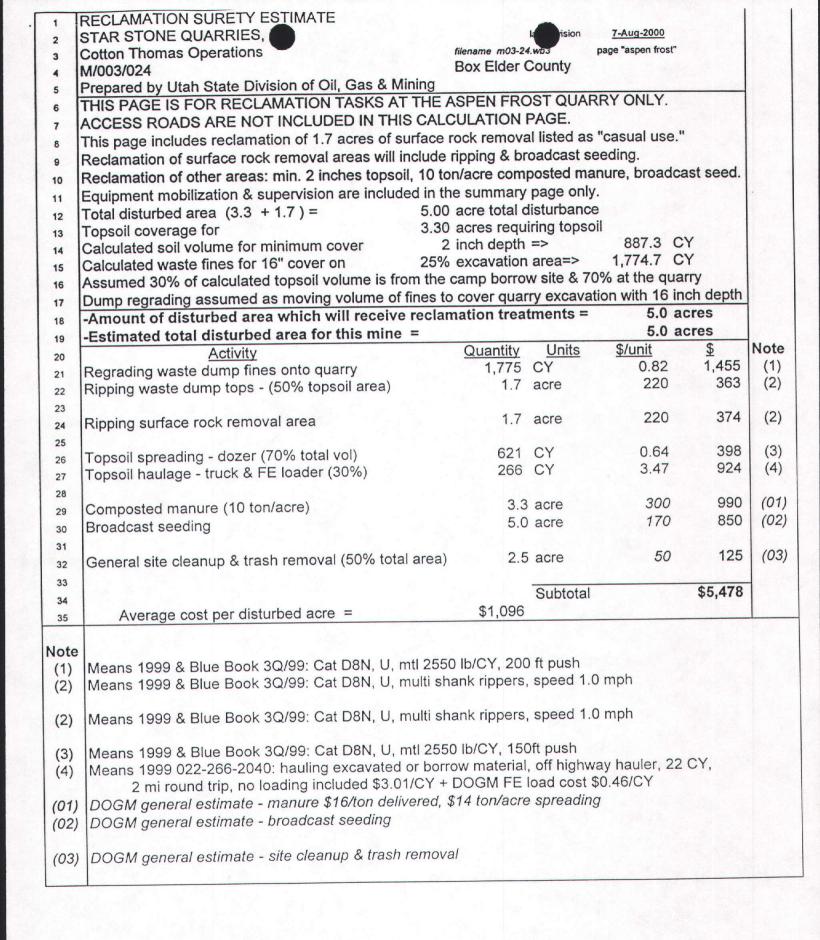
\$102,005

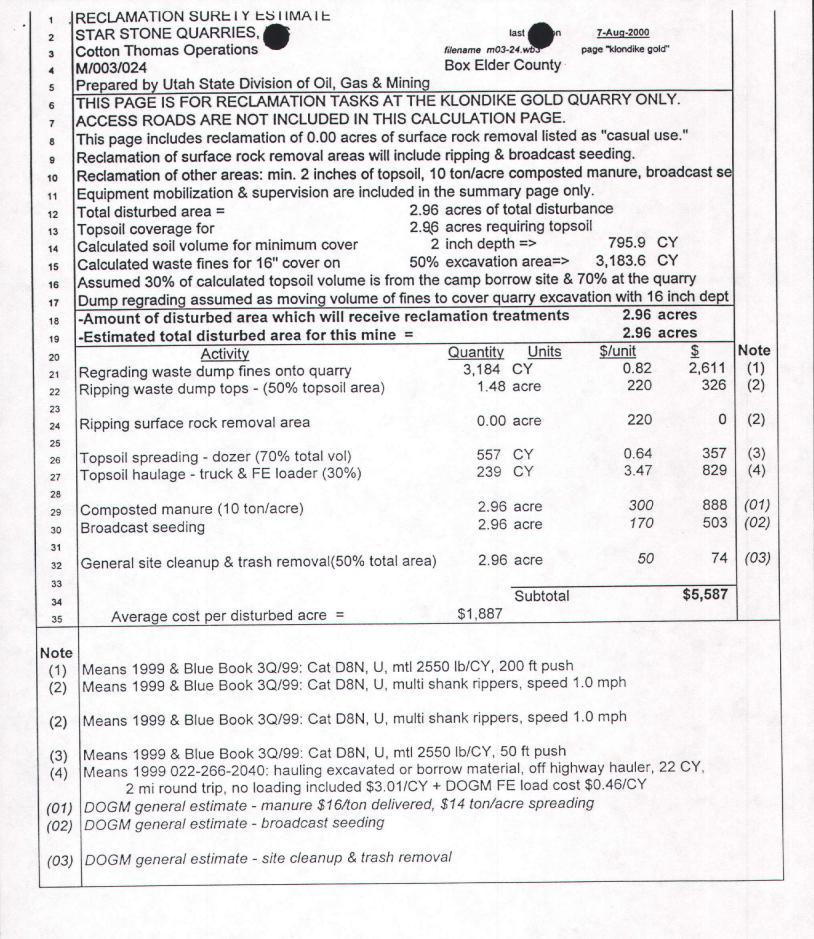
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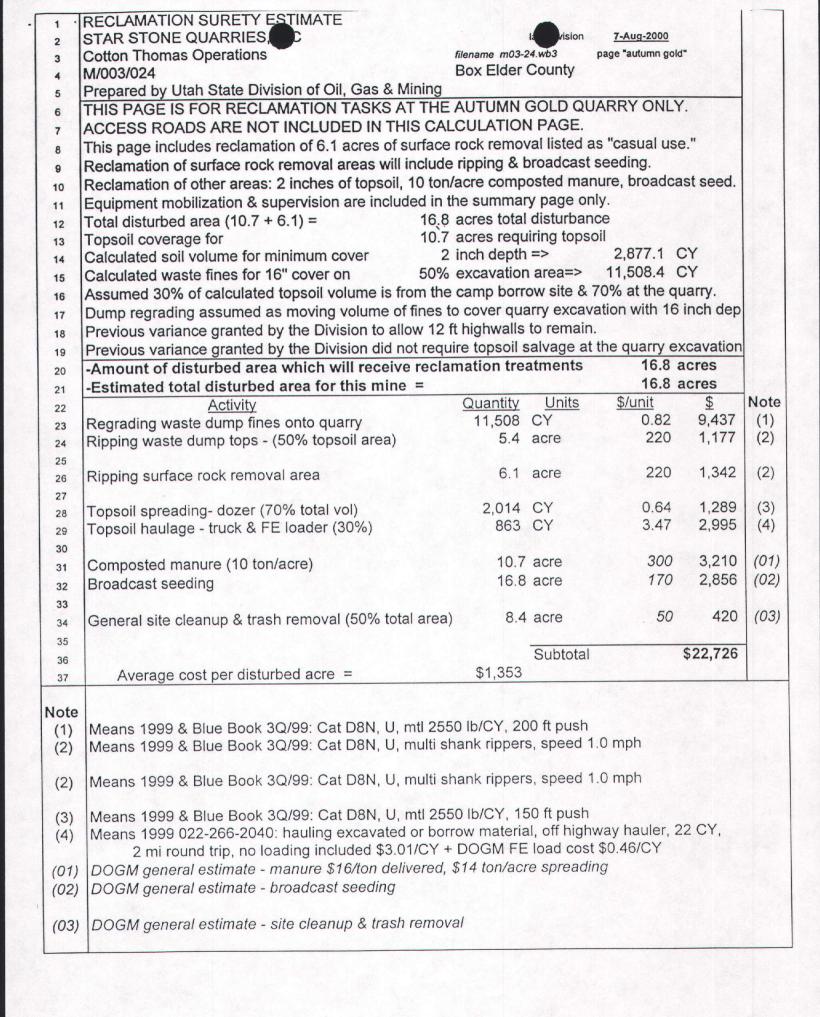
\$98,900 (2003 dollars)

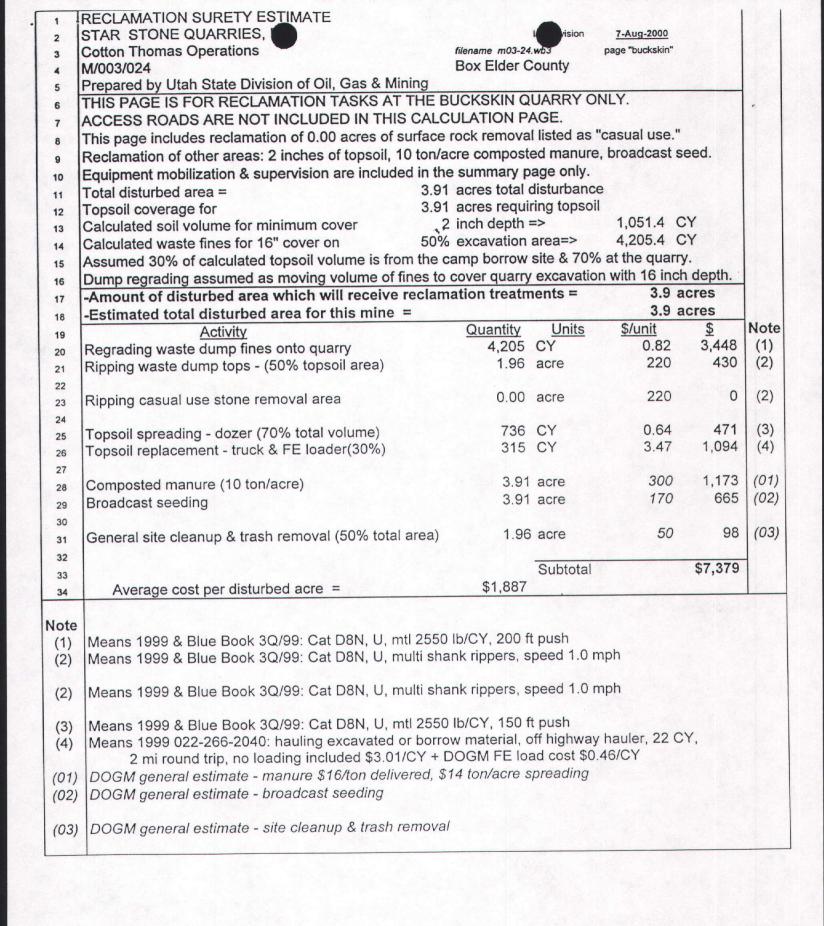
\$102,000 (2004 dollars)

\$105,200 (2005 dollars)









RECEANIATION CONETT LOTTING STAR STONE QUARRIENC vision 7-Aug-2000 2 Cotton Thomas Operation filename m03-2 page "4_granite_Qs" 3 **Box Elder County** M/003/024 4 Prepared by Utah State Division of Oil, Gas & Mining 5 THIS PAGE IS FOR RECLAMATION TASKS AT THE N, W, S & EAST GRANITE QUARRIE 6 ACCESS ROADS ARE NOT INCLUDED IN THIS CALCULATION PAGE. 7 This page includes reclamation of 0.00 acres of surface rock removal listed as "casual use." 8 Reclamation of surface rock removal areas will include ripping & broadcast seeding. 9 Reclamation of other areas: 2 inches of topsoil, 10 ton/acre composted manure, broadcast s 10 Equipment mobilization & supervision are included in the summary page only. 11 6.51 acres total disturbance Total disturbed area (3.52+0.47+0.40+2.12) = 12 6.51 acres requiring topsoil Topsoil coverage for 13 1,750.5 CY Calculated soil volume for minimum cov 2 inch depth => 14 10% excavation area=> 1,400.4 CY Calculated waste fines for 16" cover on 15 Assumed 30% of calculated topsoil volume is from the camp borrow site & 70% at the quarry 16 Dump regrading assumed as moving volume of fines to cover quarry excavation with 16 inch 17 -Amount of disturbed area which will receive reclamation treatme 6.5 acres 18 -Estimated total disturbed area for this mine = 6.5 acres 19 Note Quantity Units \$/unit Activity 20 1,148 1,400 CY 0.82 (1) Regrading waste dump fines onto quarry 21 220 716 Ripping waste dump tops - (50% topsoil area) 3.26 acre (2)22 23 (2)220 0 0.00 acre Ripping casual use stone removal area 24 25 (3)1.225 CY 0.64 784 Topsoil spreading - dozer (70% total vol) 26 3.47 1,822 (4) Topsoil haulage - truck & FE loader(30%) 525 CY 27 28 300 1,953 (01)6.51 acre Composted manure (10 ton/acre) 29 170 1,107 (02)Broadcast seeding 6.51 acre 30 31 (03)50 163 3.26 acre General site cleanup & trash removal(50% total ar 32 33 \$7,693 Subtotal 34 \$1,182 Average cost per disturbed acre = 35 Note Means 1999 & Blue Book 3Q/99: Cat D8N, U, mtl 2550 lb/CY, 200 ft push (1) Means 1999 & Blue Book 3Q/99: Cat D8N, U, multi shank rippers, speed 1.0 mph (2)Means 1999 & Blue Book 3Q/99: Cat D8N, U, multi shank rippers, speed 1.0 mph (2)Means 1999 & Blue Book 3Q/99: Cat D8N, U, mtl 2550 lb/CY, 150 ft push (3)Means 1999 022-266-2040: hauling excavated or borrow material, off highway hauler, 22 CY, (4) 2 mi round trip, no loading included \$3.01/CY + DOGM FE load cost \$0.46/CY DOGM general estimate - manure \$16/ton delivered, \$14 ton/acre spreading (01)DOGM general estimate - broadcast seeding (02)DOGM general estimate - site cleanup & trash removal (03)

